

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0426P
Income Tax
Calendar Year Ended 1999

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer was assessed a penalty for the late payment of income taxes. Taxpayer filed its original return after the original due date with a payment of \$5,286.00 in tax due. The late payment generated a ten percent (10%) penalty and updated interest.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer protests the penalty assessed because it erroneously forgot to include a copy of its federal extension with the Indiana return.

The penalty was assessed because less than ninety percent (90%) of the expected tax due was not paid by the original due date.

IC 6-8.1-6-1 clearly states that at least ninety percent (90%) of the tax that is reasonably expected to be due must be paid on or before the due date or penalties may be imposed for failure to pay the tax. More than twelve percent (12%) of the tax due was paid after the due date, which incurs a late payment penalty.

Taxpayer has not provided reasonable cause to allow a waiver of the penalty. Ninety percent of the tax due was not paid by the due date of the return.

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FINDING

Taxpayer's protest is denied.

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